



# **FY 2016-2017 Request for Proposals (RFP)**

## **1<sup>st</sup> Addendum**

**Community Development Block Grant (CDBG)  
Housing Opportunities for People with AIDS (HOPWA)  
HOME Investment Partnerships Program (HOME)**

### **PROGRAMS**

Neighborhood Engagement  
Fair Housing and Related Legal Services  
Housing Opportunities for People with AIDS  
Job Training for Unhoused Individuals and/or Youth  
Single-Family/Mobile Home Minor Repair

**Release Date: 02/11/2016**  
**Required Workshop Attendance:**  
**02/17/2016 OR 02/25/2016**

**Applications Due: 03/17/2016, 12:00 PM (NOON)**

Additions in this addendum are in Red Text.  
Deletions are indicated with strikethrough text (~~strikethrough~~).

Only Applications submitted through the City of San José's WebGrants system will be accepted. WebGrants can be found at: <http://grants.sanJoseca.gov>

All questions must be e-mailed to: [Mark.Gerhardt@sanJoseca.gov](mailto:Mark.Gerhardt@sanJoseca.gov)

To obtain an electronic copy of this application packet, please go to the following website:  
<http://www.sanJoseca.gov/index.aspx?nid=1343>

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## I. General Information

### A. Overview

The following provides general information and instructions for applying for funds from the City of San José for services to be implemented in Fiscal Year 2016-2017. This document contains the requirements that all applicants must satisfy and/or complete. All applicants must also utilize the information in the attachments to complete the application in the City's Grants Management System (WebGrants).

The specific project types for which funds may be solicited through this RFP are summarized in the charts below and in the Requested Services section of this document. Detailed descriptions of the scope and application requirements for each of the project types are in Attachments A1-A7A5. Projects will be funded through the City's Community Development Block Grant (CDBG), Housing Opportunities for Persons with AIDS (HOPWA) program, and/or the HOME Investment Partnerships Program (HOME).

Because the annual budgeting of the City's federal entitlement funds is accomplished through the Consolidated Plan process, the CDBG and HOPWA program/grant priorities are aligned with the community input received during the preparation of the 2015-20 Consolidated Plan. The Plan identified the following priorities:

1. Increase and preserve affordable housing opportunities
2. Respond to homelessness and its impacts on the community
3. Strengthen neighborhoods
4. Promote fair housing choice

#### *Funding Sources and Categories*

The CDBG Program has three major funding categories:

1. Contractual Public Services (CPS) - This funding category is allocated approximately 15% of the total CDBG grant.
2. Community Development Improvements (CDI) - This funding category is allocated approximately 65% of the total grant for physical improvement projects, rehabilitation activities, and economic development activities that will either further the City's effort to prevent slums and blight and/or serve low- and moderate-income residents and neighborhoods.
3. Administration - This funding category is allocated 20% of the total grant for City administration of the CDBG program. The City also funds other projects, such as fair housing and planning activities under this category.

Funds from the HOME program in this RFP will only be utilized for the Fair Housing project. HOME funds used for Fair Housing activities are eligible under the Administration and Planning category of funding. The City may use up to 10% of the HOME allocation and program income earned for Administration and Planning activities.

HOPWA Program has one funding category (HOP) and provides housing assistance for persons living with HIV or AIDS in Santa Clara County and San Benito County. Assistance may include Rental Subsidies, Permanent Housing Placement, and Supportive Services.

The following programs are included in this Request for Proposals:

<b>Program/Strategy</b>	<b>Anticipated 16-17 Funding Allocation</b>	<b>Approx. # of Awards</b>	<b>Funding Source</b>	<b>Funding Category</b>	<b>Project Specific Instructions</b>
Neighborhood Engagement	\$200,000	<del>1-2</del> <u>n/a*</u>	CDBG	CPS	Attachment A1
Fair Housing	\$400,000	n/a*	CDBG and/or HOME	CPS	Attachment A2
Housing Opportunities for People with AIDS	\$800,000	2	HOPWA	HOP	Attachment A3
Job Training for Unhoused Individuals and/or Youth	\$500,000	1-3	CDBG	CDI	Attachment A4
Single-Family and Mobile Home Minor Repair	\$500,000	1-2	CDBG	CDI	Attachment A5

*\*Minimum award amount will not be less than \$50,000 per agency.*

The City's application process is based on the fiscal year calendar. Agreements will be executed for a one-year period, **July 1, 2016 – June 30, 2017**, with the possibility of renewing the contract for additional years, subject to annual City and Federal appropriations, for a maximum of four (4) years of funding (Fiscal Year 2019-2020).

Funded programs are expected to have an outcome oriented approach with a strong emphasis on discernable, measurable results. It will not be enough to simply say that activities will be conducted. Rather, funded agencies will be expected to demonstrate the long-term impact these activities have on their clients or targeted area. Funded programs will be required to measure and track results throughout the duration of the contract.

The City does not intend to make numerous small awards to multiple organizations providing different services. The minimum award amount for each agency will not be less than \$50,000. Rather, the City expects to make a limited number of awards to

individual agencies that can provide the range of requested services under each program. The City will only consider *consortium* proposals if each consortium agency is essential to the full implementation of the proposed program. Agencies may choose to enter into a limited partnership or subcontract with other agencies in order to provide a full range of services.

*Example of an acceptable consortium:* Agency “A” provides underwriting and client eligibility review services, and Agency “B” provides the rehabilitation services.

*Example of an unacceptable consortium:* Agency “A” and “B” both offer the same services, but in different areas of the City.

The City reserves the right to accept or reject any item or group(s) of items of a response/proposal. The City also reserves the right to waive any informality or irregularity in any proposal. Additionally, the City may, for any reason, decide not to award an agreement as a result of this RFP or cancel the RFP. The City shall not be obligated to respond to any proposal submitted, nor be legally bound in any manner by submission of the proposal. The City is not required to accept the lowest price proposal. Responses will be evaluated to determine the most advantageous proposal based on a variety of factors as discussed herein. The City reserves the right to negotiate with any or all respondents on cost proposals, assigned staff and Program deliverables.

Statistical information contained in this RFP is for informational purposes only. The City shall not be responsible for the complete accuracy of said data. The City reserves the right to verify any information provided during the RFP process and may contact references listed or any other persons known to have contracted with the proposer. The City reserves the right, without limitation to execute an agreement with one or more proposers based solely on the proposal and any approved additions and to enter into an agreement with another agency in the event that the originally selected proposer defaults or fails to execute an agreement with the City.

The federal regulations referenced in this packet may be accessed on-line at the following links:

**24 CFR Part 570 (CDBG):**

<http://www.ecfr.gov/cgi-bin/text-idx?rgn=div5;node=24:3.1.1.3.4>

**24 CFR Part 92 (HOME):**

[http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr92\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr92_main_02.tpl)

**24 CFR Part 574 (HOPWA):**

<http://www.ecfr.gov/cgi-bin/text-idx?rgn=div5&node=24:3.1.1.3.7>

**24 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit**

**Requirements for Federal Awards)**

<http://www.ecfr.gov/cgi-bin/text-idx?SID=fa429cc8e6ef90af45e196adeef16cee&mc=true&node=pt2.1.200&rgn=div5>

Please see the Application Completion Requirements for All Respondents' section. Proposals that do not include all of the required documentation will be disqualified. In the event of any conflict between any of the Proposal documents, resolution thereof shall be in the City's sole discretion.



## **B. Requested Service Summary**

### **Neighborhood Engagement**

- *Funding Source:* CDBG
- *Service Area:* Low Income Neighborhoods in the City of San José.
- *Description:* The goal of the Neighborhood Engagement program is to increase social capital (i.e., a form of economic and/or cultural capital in which social networks are essential components to community growth) in San José neighborhoods, increase community engagement and cohesion, build the capacity of local organizations, pilot solutions to solve neighborhood level problems, and develop leadership skills of residents to promote, support, and sustain civic engagement by residents that are typically underrepresented in city governance and civic processes. This work will build upon the previous successes of the Strong Neighborhoods Initiative and the work of the Housing Department's Place Based Initiative.
- *Eligible Activities:* Activities must be eligible under the CDBG public services category and may include, but are not limited to:
  - o Leadership training/classes
  - o Mentoring activities
  - o Community activities that address local concerns, such as neighborhood clean-ups or health fairs
  - o Community outreach and education

### **Fair Housing**

- *Funding Source:* CDBG and HOME
- *Service Area:* City of San José
- *Description:* Fair housing represents an ongoing concern in Santa Clara County, evidenced in the results of a survey of residents conducted during the development of the City's 2015-2020 Consolidated Plan. To address this need, the City desires to promote fair housing choice through on-going education and outreach, enforcement activities, provision of legal representation, fair housing testing in local apartment complexes, and ensuring that local ordinances are in compliance with federal and state fair housing laws. All services will be provided to low and moderate income individuals and families.
- *Eligible Activities:* Eligible activities may include:
  - o Outreach and education for residents and property owners regarding fair housing issues;
  - o Enforcing fair housing laws through mediation and litigation;
  - o Conducting fair housing testing;
  - o Investigating and resolving complaints regarding retaliatory evictions and poor living conditions;
  - o Providing technical assistance and/or training to the Housing Department on monitoring City-financed developments for fair housing compliance;

- and/or
- o Other fair housing services that meet CDBG eligibility requirements.

Comprehensive proposals that include multiple strategies to address fair housing issues will be more competitive.

### **Housing Opportunities for People with AIDS**

- *Funding Source:* HOPWA
- *Service Area:* Santa Clara County and San Benito County
- *Description:* This RFP seeks individual agencies or consortiums of agencies that will provide, either directly or through partnerships and referrals, housing and support services to low income individuals living with HIV/AIDS, with a priority given to homeless individuals. The goal of the City's HOPWA program is to provide the resources necessary to permanently house individuals living with HIV/AIDS in Santa Clara County and San Benito County.
- *Eligible Activities:* HOPWA funds can be used to support costs associated with the following activities:
  - o Housing information services
  - o Resource identification to establish, coordinate and develop housing assistance resources for eligible persons
  - o Project- or tenant-based rental assistance
  - o Short-term rent, mortgage, and utility payments to prevent the homelessness of the tenant or mortgagor of a dwelling
  - o Supportive services
  - o Operating costs for housing
  - o Technical assistance in establishing and operating a community residence
  - o Administrative expenses (no more than 7% of the grant amount for project sponsors)

### **Job Training**

- *Funding Source:* CDBG
- *Service Area:* City of San José
- *Description:* The City seeks to support job training for low income individuals, focused on homeless individuals and/or youth/young adults (ages 16-24). Community outreach related to the annual action plan highlighted a community need for job training, especially for unhoused individuals and youth/young adults. This program must meet the national objective of low/moderate job creation and retention (LMJ). Activities must create or retain permanent jobs to be made available or held by low/moderate income persons. This requirement is met when job training participants are placed in permanent jobs. In addition, in order to be eligible for CDBG funding the job training must be tied to assistance to for-profit businesses. Non-profit entities, including Community Based Development Organizations, are eligible to apply.

- *Eligible Activities:* CDBG economic development activities are eligible and may include:
  - o Individual employment development support
  - o Employment readiness training
  - o Soft-skills training
  - o Short-term or long-term classroom training
  - o Work experience opportunities
  - o Job Placement **(Required)**

#### **Single-Family/Mobile Home Minor Repair**

- *Funding Source:* CDBG
- *Service Area:* City of San José
- *Description:* The City of San José’s housing stock is aging, and many low income residents cannot afford the repairs needed to maintain their home in a safe and sanitary condition when urgent and minor repairs arise. This RFP seeks individual agencies or a consortium of agencies that will provide, emergency and minor home repairs for income eligible, owner occupied homeowners of single-family homes or mobile homes. Funding for repairs will be in the form of grants for the participants.
- *Eligible Activities:*
  - o **Emergency Repairs:** Services provided under the “emergency” category are intended to address immediate health and safety needs including, but not limited to, water heater repairs/replacements, furnace repairs/replacements, electrical repairs, and roofing repairs (less than ¼ of the roof area), and miscellaneous plumbing leaks.
  - o **Minor Repairs:** Services provided under the “minor” category is intended to address health and safety deficiencies that do not elevate to “emergency”, but that the homeowner simply can’t pay for on their own. Deficiencies Include, but are not limited to, debris removal, replacement of doors, windows, installation of ramps/lifts, ADA improvements to bathroom(s), lighting improvements, flooring repairs/replacements accessibility improvements, replace broken windows, doors and other minor repairs.
  - o **Administration:** Reasonable/necessary administrative costs to administer the program.

## II. General Eligibility Requirements

### A. CDBG Eligibility Requirements

The primary purpose of the CDBG program is the development of viable urban communities. The viable communities are achieved by providing the following, principally for persons of low and moderate (low/mod) income:

- Decent housing;
- A suitable living environment; and
- Expanded economic opportunities.

CDBG has three basic eligibility requirements. The applicants must meet the following entry criteria:

- 1) Be a public entity or a non-profit organization 501 (c)(3).
- 2) The project must address one of the following national objectives:
  - a) Low/mod Area Benefit - Activities providing benefits that are available to all the residents of a particular area, at least 51% of whom are low/mod income. The service area of a Low/Mod Area Benefit activity must be identified in the application.
  - b) Low/mod Limited Clientele Benefit - Activities that benefit a limited clientele, at least 51% of whom are low/mod income. These activities provide benefits to a specific group of persons rather than to all the residents of a particular area.
  - c) Low/mod Job Creation and Retention - Activities undertaken to create or retain permanent jobs, at least 51% of which will be made available to or held by low/mod persons.
  - d) Slum/blight Area Benefit - Activities undertaken to prevent or eliminate slums or blight in a designated area.
- 3) The activity proposed must be a CDBG-eligible activity. The City is requesting services in the following eligible categories:
  - a) Public Services, including:
    - i) Fair Housing Activities
    - ii) Other Public Services (Neighborhood Engagement)
  - b) Economic development undertaken by community based development organizations (CBDOs) - These are activities designed to assist in neighborhood revitalization or community economic development and are carried out by an organization that qualifies as a CBDO under the regulations at 24 CFR Part 570.204; OR
  - c) Special economic development - Assisting a private, for-profit business

## **B. HOME Eligibility Requirements**

The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. Further, a portion of HOME funds are set aside for administering such programs. Activities to affirmatively further fair housing are considered eligible activity with which to use HOME funds.

To receive HOME funds for activities to affirmatively further fair housing, a subrecipient must be:

- 1) A public entity or a non-profit organization 501(c)(3).
- 2) The program must serve low-income persons (at or below 80 percent of area median income).

## **C. HOPWA Eligibility Requirements**

HOPWA has three basic eligibility requirements. The applicants must meet the following entry criteria:

- 1) Be a public entity or a non-profit organization 501(c)(3).
- 2) The program must serve low-income persons (at or below 80 percent of area median income) that are medically diagnosed with HIV/AIDS and their families.
- 3) The activity proposed must be a HOPWA-eligible activity. HOPWA funds may be used for a range of housing and social services costs. These include, but are not limited to, rental assistance and short-term payments to prevent homelessness. An essential component in providing housing assistance for this targeted special needs population is the coordination and delivery of support services. Consequently, HOPWA funds also may be used for services including (but not limited to) assessment and case management, substance abuse treatment, mental health treatment, nutritional services, job training and placement assistance, and assistance with daily living.

## **D. Additional Entry Criteria**

All applicants must meet the following requirements:

- 1) The activity proposed must qualify under one of the funding priority projects as summarized above in the Requested Services Summary section and in Attachments A1-5.
- 2) CDBG or HOPWA activities must be eligible under the current federal guidelines for the program.
- 3) Have a strong emphasis on concrete measurable outcomes.
- 4) For program services offered at a fixed location, the facility must comply with

the American Disabilities Act (ADA) requirements regarding accessibility.

In addition to the basic requirements listed above, all non-profit organizations applying for funding must meet the following Organizational Requirements:

1) Governing Body

Governing of the organization should be vested in a responsible and active voluntary Board that meets at least quarterly and establishes and enforces policies. The Board should be large enough and structured as to be representative of the community it serves.

2) Personnel

The organization must provide for adequate administration of the program to ensure the delivery of services. One person should be designated as the director of the organization. If the project is awarded funding, the organization must provide a copy of its Personnel Policies and Procedures, which must include policies prohibiting discrimination, conflict of interest, grievance procedures, and affirmative hiring practices.

3) Non-Discrimination

Each organization receiving funds from the City is required to assure the City that it will conduct its business in compliance with the non-discrimination requirements of the City, State, and Federal governments, as applicable.

4) Living Wage

The Living Wage Policy shall apply to any City financial recipient, excluding any corporation organized under Sec. 501(c)3 and 6 of the United States Internal Revenue Code of 1954, who receives direct monetary financial assistance from the City in an amount of One Hundred Thousand Dollars (\$100,000) or more in any twelve (12) month period executed after the effective date of the policy. Conformance to this Policy shall be required throughout the term of the agreement. Please refer to the following website for more information:  
<http://www.sanjoseca.gov/index.aspx?NID=768>

5) Accounting

Each organization shall maintain accounting records which are in accordance with generally accepted accounting practices, such as those described in 24 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," or in the American Institute of Certified Public Accountants (AICPA) "Accounting and Financial Reporting for Voluntary Health and Welfare Organizations". 24 CFR Part 200 is available online at:  
<http://www.ecfr.gov/cgi-bin/text-idx?SID=0ec29e527206139bd08d375ffdee1ac6&node=pt2.1.200&rgn=div5>

6) Audited Financial Statements

Funded projects will be required to have an independent audit performed. The agency annual audit will need to be submitted, along with the Financial Dashboard report, within 150 days of the end of the organization's fiscal year. Audit fees are reimbursable under an approved cost allocation plan. Agencies with federal expenditures in excess of \$750,000 are subject to conformance to 24 CFR Part 200 subpart F (Audit Requirements).

7) Insurance

Applicant must adhere to the insurance requirements as indicated in Attachment C, Insurance Requirements.

**E. Spending Conditions**

CDBG and HOPWA and HOME funding allocated for projects to be implemented in FY 2016-2017 cannot be spent or obligated prior to the following:

- Approval of the San José City Council;
- Approval of the City's 2016-17 Action Plan by the US Department of Housing and Urban Development (HUD); and
- Start of the 2016-2017 Program Year which begins on July 1, 2016

### III. General Project Requirements

In addition to the City's funding priorities and the eligibility requirements outlined in this document, funded projects will be required to conform to specific Federal Regulations for the CDBG and HOPWA programs.

#### **A. National Objectives for CDBG Projects**

All funded projects must meet the National Objective of benefiting low- and moderate-income persons. A current income limits table used to determine low- and moderate-income clients is provided at the end of this section.

#### **Activities benefiting low- and moderate-income persons**

##### **Low-Moderate Income Limited Clientele Activities (LMC)**

An activity that benefits a limited clientele, at least 51% of whom are low- and moderate-income persons. The Neighborhood Engagement and Fair Housing proposals must qualify under this objective. The activity must meet one of the following qualifying criteria:

- The activity must exclusively serve a group of persons in any one or a combination of categories generally presumed to be principally low and moderate income: abused children, battered spouses, elderly persons, adults meeting the definition of "severely disabled" in the Bureau of Census's Current Population Reports, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or
- Information must be required on family size and income to document that at least 51% of the clientele are persons whose family income does not exceed Section 8 low- and moderate-income limits; or
- The activity must have income eligibility requirements that limit the activity exclusively to low- and moderate-income persons; or
- The activities must be of such nature and in such location that it may be reasonably concluded that the activity's clientele will primarily be low- and moderate-income persons.

#### **Records to be maintained for LMC Activities:**

One of the following types of documentation must be kept for each activity:

- Documentation showing that the activity is designed for and used by a segment of the population presumed by HUD to be principally low and moderate income; or



- Documentation describing how the nature and, if applicable, the location of the activity establishes that it will primarily benefit low- and moderate-income persons; or
- Data showing the size and annual income of the family of each person receiving the benefit.

#### Low-Mod Job Creation or Retention Activities (LMJ)

The job creation and retention LMI benefit national objective addresses activities designed to create or retain permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) will be made available to or held by LMI persons. Job Training proposals must qualify under the Low Mod Jobs national objective category.

The following requirements apply for jobs to be considered available to or held by LMI persons:

- Created or retained jobs are only considered to be available to LMI persons when:
  - o Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and
  - o The grantee and the assisted business take actions to ensure that LMI persons receive first consideration for filling such jobs.
  - o Created or retained jobs are only considered to be held by LMI persons when the job is actually held by a LMI person.

For the purpose of determining if the preceding requirements are met, a person may be presumed to be LMI if:

- He/she resides in a Census tract/block numbering area that has a 20 percent poverty rate (30 percent poverty rate if the area includes the central business district); and the area evidences pervasive poverty and general distress; or
- He/she resides in a Census tract/block numbering area where at least 70 percent of the residents are LMI.

#### **B. CDBG Eligible Activities**

Projects must meet the eligibility requirements outlined in 24 CFR Part 570 – CDBG: [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr570\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr570_main_02.tpl).

While there are several categories of eligible activities in the CDBG program, the activities within this proposal will fall under the Public Services category.

#### Public Services

Under this category, CDBG funds may be used to provide public services (including labor, supplies, materials and other costs), provided that each of the following criteria is met:

- 1) The public service must be either:
  - a) A new service; or
  - b) A quantifiable increase in the level of a service above that which has been provided by or on behalf of the unit of general local government through funds raised by such unit, or received by such unit from the State in which it is located during the 12 months prior to submission of the grantee's applicable Action Plan. This requirement is intended to prevent the substitution of CDBG funds for recent support of public services by the grantee using local or State government funds. *The prohibition on substituting CDBG funds for recent local or State government funding of a public service, does not extend to prohibiting the substitution of CDBG funds for private or other Federal funding of a public service. It also does not prevent continued funding of a CDBG-funded public service at the same or smaller level in the subsequent program year.*  
**§570.201(e).**
- 2) The amount of CDBG funds obligated within a program year to support public service activities under this category may not exceed 15% of the total grant awarded to the grantee for that year plus 15% of the total program income it received in the preceding program year or, where applicable, the amount determined as described in the next paragraph. Public services carried out by subrecipients are subject to the Public Services Cap.

Public services include, but are not limited to:

- Education programs
- Fair housing activities
- Services for senior citizens
- Services for homeless persons

The following Public services are not eligible under this category:

- Political activities; §570.207(a)(3)
- Ongoing grants or non-emergency payments (defined as more than 3 consecutive months) to individuals for their food, clothing, rent, utilities, or other income payments; §570.207(b)(4)

#### **C. HOME Eligible Activities**

Though HOME has several eligible activities, for the purposes of this RFP, the only eligible activity that will be considered for HOME funding will be affirmatively furthering fair housing activities.

#### **D. HOPWA Eligible Activities**

PART 574\_HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS, Subpart D Uses of Grant Funds, Sec. 574.300 Eligible activities.

*General.* Subject to applicable requirements described in §§574.310, 574.320, 574.330, and 574.340, HOPWA funds may be used to assist all forms of housing designed to

prevent homelessness including emergency housing, shared housing arrangements, apartments, single room occupancy (SRO) dwellings, and community residences. Appropriate supportive services, as required by §574.310(a), must be provided as part of any HOPWA assisted housing, but HOPWA funds may also be used to provide services independently of any housing activity.

*Activities.* The following activities may be carried out with HOPWA funds:

- Housing information services including, but not limited to, counseling, information, and referral services to assist an eligible person to locate, acquire, finance and maintain housing. This may also include fair housing counseling for eligible persons who may encounter discrimination on the basis of race, color, religion, sex, age, national origin, familial status, or handicap;
- Resource identification to establish, coordinate and develop housing assistance resources for eligible persons (including conducting preliminary research and making expenditures necessary to determine the feasibility of specific housing-related initiatives);
- Project- or tenant-based rental assistance, including assistance for shared housing arrangements;
- Short-term rent, mortgage, and utility payments to prevent the homelessness of the tenant or mortgagor of a dwelling;
- Supportive services including, but not limited to health, mental health, assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, etc.
- Administrative expenses: Each grantee may use not more than 3% of the grant amount for its own administrative costs relating to administering grant amounts and allocating such amounts to project sponsors; and each project sponsor receiving amounts from grants made under this program may use not more than 7% of the amounts received for administrative costs. Organizations applying are considered Project Sponsors and may use up to 7% of the grant to cover administrative expenses.

**E. Income Limits Table for San José and Santa Clara County**

The following table provides Income Limits as a Percentage of Median Income for 2015:

<b>No. of Persons in Household</b>	<b>Extremely-Low (30% of Median)</b>	<b>Very Low-Income (50% of Median)</b>	<b>Low-Income (80% of Median)</b>
<b>1</b>	\$22,350	\$37,250	\$52,850
<b>2</b>	\$25,550	\$42,550	\$60,400
<b>3</b>	\$28,750	\$47,850	\$67,950
<b>4</b>	\$31,900	\$53,150	\$75,500
<b>5</b>	\$34,500	\$57,450	\$75,500
<b>6</b>	\$37,050	\$61,700	\$87,600
<b>7</b>	\$39,600	\$65,950	\$93,650
<b>8</b>	\$42,150	\$70,200	\$99,700

**F. Income Limits Table for San Benito County (HOPWA Only)**

<b>No. of Persons in Household</b>	<b>Extremely-Low (30% of Median)</b>	<b>Very Low-Income (50% of Median)</b>	<b>Low-Income (80% of Median)</b>
<b>1</b>	\$15,650	\$26,100	\$41,750
<b>2</b>	\$17,900	\$29,800	\$47,700
<b>3</b>	\$20,150	\$33,550	\$53,650
<b>4</b>	\$24,250	\$37,250	\$59,600
<b>5</b>	\$28,410	\$40,250	\$64,400
<b>6</b>	\$32,570	\$43,250	\$69,150
<b>7</b>	\$36,730	\$46,200	\$73,950
<b>8</b>	\$40,890	\$49,200	\$78,700

## IV. Application Timeline and Process

### A. Timeline for Funding Activities

Activity	Date
Release of RFP for FY 2016 - 2017 CDBG, HOME and HOPWA Funding	February 11 <sup>th</sup> , 2016
<p>Mandatory Workshop</p> <p>The Housing Department will post written answers to questions asked during the workshops by Friday, February 19<sup>th</sup> <u>and Friday, February 26<sup>th</sup></u> in WebGrants.</p>	February 17 <sup>th</sup> , 2016 OR <u>February 25<sup>th</sup>, 2016</u>
<p>Written questions about the RFP will be accepted by the Housing Department</p> <p>Questions must be e-mailed to: <u>mark.gerhardt@sanjoseca.gov</u></p> <p>The Housing Department will post answers to written questions weekly (as they are received) and/or in WebGrants <del>and on the Housing Department's website under the Funding Opportunities page.</del></p>	February 11 <sup>th</sup> – March 1 <sup>st</sup> , 2016
<b>Complete RFP responses due</b>	<b>March 17<sup>th</sup>, 2016, 12:00PM Noon</b>
Panel reviews/scores proposals	March 2016
RFP responder agencies notified of funding recommendations	March 2016
Deadline for RFP responder agencies to file formal appeal letters to the Director of the Housing Department	10 days after notification of awards
Contracts completed/executed	June 2016
Contract Start Date	July 1 <sup>st</sup> , 2016

The City reserves the right to amend the dates in the timeline above. Any changes to the dates above will be posted to the Housing Department's Funding Opportunities page and as an addendum to the RFP in WebGrants.

## **B. Application Workshop and Questions**

It is the City's goal to assist applicants in preparing competitive applications. Technical assistance is offered by the Grants Program through an application workshop and timely responses to written applicant questions. Respondents may be invited to meet with the evaluation panel to provide a brief presentation and answer questions.

### **Mandatory Application Workshop**

The City's Housing staff will conduct ~~an~~ two application workshops at the following times and locations to assist all RFP respondents in completing the application and required forms, and enhance their understanding of applicable requirements and project evaluation criteria:

**Wednesday, February 17<sup>th</sup>, 2016**  
**1:00pm – 3:00pm**  
**San José City Hall – Council Chambers**  
**200 E. Santa Clara St.**  
**San José, CA 95113**

**Thursday, February 25<sup>th</sup>, 2016**  
**1:00pm – 3:00pm**  
**San José City Hall – Room 1254**  
**200 E. Santa Clara St.**  
**San José, CA 95113**

Parking is available in the City Hall garage located on Sixth Street.

*Bring parking ticket for validation.*

Attendance at one of the workshops is **MANDATORY** for all RFP respondents. Failure to attend one of the two workshops will **DISQUALIFY** an agency from being considered for funding under this RFP.

To request for a Sign-Language Interpreter for ~~this~~ either workshop, please contact Arlene Silverio three days before the scheduled event by email at [arlene.silverio@sanjoseca.gov](mailto:arlene.silverio@sanjoseca.gov).

To encourage a fair process, individual or telephone consultations will not be accepted. Applicants should e-mail their questions to: [Mark.Gerhardt@sanjoseca.gov](mailto:Mark.Gerhardt@sanjoseca.gov) no later than March 1<sup>st</sup>, 2016 at 5:00 PM. Responses to questions submitted through email will be posted in WebGrants under the Funding Opportunity's Application Attachments.

## **C. Application Submission**

Prior to submission, respondents should carefully check their applications to ensure that all of the responses to questions are complete and all attachments are included. Refer to the Checklist in Section 1 to ensure that all required documents are included in the

application.

**No grace period will be allowed for missing components to be submitted. No additional submissions will be accepted after the March 17, 2016, 12:00PM application deadline.**

**D. Audit Review Process**

In conjunction with the application evaluation, Grants Program staff will perform a review and analysis of the responding agencies' audited financial statements. Applicants may be disqualified from funding consideration if major concerns are raised through a review of the agency's financial capacity. Justification for disqualification includes:

- Failure to submit the agency's two most recent audits
- Incomplete Audit Report
- Federal Disbarment
- Evidence of financial irregularities or malfeasance

The Director of Housing may approve exceptions to this policy under warranted circumstances when it is determined that the service provided meets a critical community need. If an exception is warranted, the agency may be required to:

- 1) Submit a detailed explanation of the identified deficiency or deficiencies and a realistic plan to resolve them;
- 2) Provide complete documentation with each reimbursement request; and
- 3) Agree to additional monitoring visits.

The Housing Department will conduct a more detailed financial review as part of the Organizational and Financial Capacity assessment. A detailed explanation of the financial audit review process is described in Attachment D.

**E. Evaluation Process**

Seven evaluation criteria will be used to evaluate project applications. The project applications will be reviewed by a non-conflicted panel and ranked based on an average of the total scores received. Applicants may be invited to meet with the panel to provide a brief presentation and clarify panelist questions. The following criteria and the weighting of scores will be used by the panelists during the rank and review process:

Criteria	Weight
<b>Project Eligibility*</b>	Pass/Fail
<b>Audit Review**</b>	Pass/Fail
<b>Program Description</b>	25%
<b>Organizational and Financial Capacity and Experience</b>	30%
<b>Goals and Outcomes</b>	35%
<b>Budget and Fee Structure</b>	10%
<b><u>Matching Funds Bonus***</u></b>	<b><u>+2 or +4 (on 100 point scale)</u></b>

\*An application with a “Fail” rating for Project Eligibility will not be recommended for funding.

\*\*An applicant with a “Fail” rating for the Audit Review will not be recommended for funding.

\*\*\*An applicant demonstrating committed matching funds may be awarded up to +4 bonus points. More information is provided in the budget section on page 29.

#### **F. Appeals Process**

RFP respondents will be advised in writing if their application is not eligible for funding, including the reason(s) that render the project ineligible. Respondents will also be notified of the agencies selected and the amount of funding recommended for each project. Applicants may appeal either of these decisions, in writing, to the Director of the Housing Department at:

City of San José, Housing Department  
200 East Santa Clara Street, 12<sup>th</sup> Floor Tower  
San José, CA 95113

The deadline for submitting an appeal letter is 10 days after the announcement of awards. The Director will respond to all appeals within five working days of the close of the appeals process. The Director’s decision is final and there is no further appeal.



## V. Application Completion Requirements for All Respondents

To apply for funds, please submit your application through the City of San José's WebGrants system by March 17, 2016 at 12:00 P.M. You can access WebGrants at <http://grants.sanjoseca.gov>. Any application that is late, fails to meet eligibility requirements, or fails to follow submission instructions will not be considered for funding. Only one (1) copy of the "Agency Documents" as listed in the Application Checklist needs to be submitted per application. If your agency is applying for both projects, a separate and complete application must be submitted for each project.

Please note that each project type has specific questions and requirements that must be fulfilled for the RFP response to be considered complete and eligible. The scope and specific requirements for each project type are described in Attachments A1-A5.

### **Section 1: RFP Application Checklist**

Check each box in WebGrants as appropriate to indicate that the items are included in your RFP response.

### **Section 2: Cover Sheet (Respondent Information)**

Enter the organization information, project funding requested, and agency contact information. The Grants Program will use e-mail to correspond with applicants.

A DUNS number is a requirement for any organization that receives Federal assistance. If your organization does not have one, please call the DUNS number request line at 1-866-705-5711 to obtain a number. The process is free and takes about ten minutes. More information can be found at:

[http://www.whitehouse.gov/omb/grants/duns\\_num\\_guide.pdf](http://www.whitehouse.gov/omb/grants/duns_num_guide.pdf).

A DUNS number may also be requested online at <http://fedgov.dnb.com/webform>.

### **Section 3: Project Summary** *(Limit 5,000 characters)*

In this section provide a summary containing highlights of your proposal's approach. Please describe briefly the structure of your program, including the roles and responsibilities of each partner, if applicable. Summarize the goals and outcomes of the program.

### **Section 4: Program Description** *(Limit 2,500 characters)*

Refer to the Program Description section of your specific project's response content in Appendices A1-A7 **A5** and answer each question.

### **Section 5: Organizational Capacity and Experience** *(Limit 2,500 characters per question)*

Please answer the following questions about the agency or agencies that will provide services under the proposed program.

1. Describe your experience, including length of time, in providing services similar to those described in the Requested Services section of this RFP. Provide information about your agency's relevant accomplishments and outcomes. If this program is new to the community, explain management and staff experience that qualifies for the administration and implementation of this program.
2. For any of the staff members who will provide services under this proposal, please provide an organizational chart, resumes and/or job descriptions and attach them as stated in Section 13. Explain how oversight and supervision will occur.
3. Describe your experience administering government grants (federal, state, and local) especially contracts with the City of San José and/or funded through federal and especially CDBG, HOME, and/or HOPWA funds either directly or as a subrecipient.
4. Explain clearly the experience/cultural competence of your staff in meeting the needs of the target populations described in the City's Language Access Plan.
5. For any services offered at a fixed location, describe how the facility(s) complies with Americans with Disabilities Act (ADA) requirements regarding accessibility.

#### **Section 6: Numerical Goals and Outcomes**

##### *Unduplicated Participants*

Provide the total number of unduplicated participants that will be served by the proposed project, regardless of the number of activities in which they participate. Each participant should be counted only once for the year. Provide the unduplicated participant goal for each quarter and a total for FY 16-17. Include the total program goal and the number of participants that will be served with City grant funds, if awarded.

	1	2	3	4	TOTAL
Total Program Goal					
Total City Grant Portion Goal					

Explain how you determined how many prospective program participants may be recruited (the need in the community) and relate the estimated number to the number your agency will be capable of serving during the contract period.

##### *HUD Objectives and HUD Outcomes*

Identify which HUD objective and HUD outcome will be addressed by this project:

HUD Objectives*	HUD Outcomes*
Suitable Living Environment	Availability and/or Accessibility
Decent Housing	Affordability
Creating Economic Development	Sustainability

\* See the Attachment E of the Instruction packet for additional clarification of the terms used.

### Activities/Outputs

This component should address a specific activity or set of activities that affect a specific group of individuals to accomplish project outcomes. Outputs are products of a program's activities, such as the number of meals provided, classes taught, brochures distributed, or participants served. Each output should relate to the intended outcome of the program activities and community objectives.

		GOAL				
		1	2	3	4	TOTAL
<b>Activity 1:</b> <i>Insert name of activity here</i>	<u>City Grant Portion</u>					
	<u>Total Program</u>					
<b>Unit of Service:</b> <i>Define the unit of service here*</i>						
<b>Activity 2:</b> <i>Insert name of activity here</i>	<u>City Grant Portion</u>					
	<u>Total Program</u>					
<b>Unit of Service:</b> <i>Define the unit of service here*</i>						
<b>Activity 3:</b> <i>Insert name of activity here</i>	<u>City Grant Portion</u>					
	<u>Total Program</u>					
<b>Unit of Service:</b> <i>Define the unit of service here*</i>						
*Be as specific and detailed as possible. For example, if you propose to track the number of case management sessions, provide the average length of the sessions.						

### EXAMPLE

		GOAL				
		1	2	3	4	TOTAL
<b>Activity 1:</b> Case Management Sessions	<u>City Grant Portion</u>	100	100	100	100	400
	<u>Total Program</u>	150	150	150	150	600
<b>Unit of Service:</b> One case management session is defined as a one-on-one meeting between a client and a case manager for a minimum of 30 minutes.						

### Outcome Measure(s)

Outcome measures are ways to measure the impact and success of your program(s). Please detail at least one outcome measure that will be used to measure the impact of the program. Express your outcome measure as a percentage of clients who participated in

the activity that exhibit the desired change in behavior or desired result.

Examples:

- 85% of students who attend the career preparation workshop will complete a plan for higher education by the end of the 16-17 school year.
- 50% of clients who attend the Let's Stay in School Program will have an absentee rate of fewer than six days for the remainder of the school year.

	2 <sup>nd</sup> quarter Goal	4 <sup>th</sup> quarter Goal
First Outcome Measure	%	%
<i>Description:</i>		
<i>Methodology:</i>		
Second Outcome Measure (optional)	%	%
<i>Description:</i>		
<i>Methodology:</i>		
Third Outcome Measure (optional)	%	%
<i>Description:</i>		
<i>Methodology:</i>		
Fourth Outcome Measure (optional)	%	%
<i>Description:</i>		
<i>Methodology:</i>		

Methodology: For each proposed outcome, describe the measurement methodology and calculation that will be used or has been used. Data collection methods include surveys, focus groups, interviews, report cards, and pre- and post-tests. If a survey, questionnaire, pre- or post-test will be used for outcomes, **attach the applicable document to this application in Section 13.**

When describing your measurement methodology, please include the frequency of collection. Funded applicants will be expected to provide quarterly reports on their project's activities and unduplicated participants and semi-annual reports on their project's outcomes.

*Discussion*

- a) How do the project outcomes align with the HUD Objectives and Outcomes as noted above?
- b) How will the outcome measurements demonstrate the desired project's impact as described in your response to questions in the program description section of the application?
- c) Describe how you plan to assess customer or user satisfaction with your services?
- d) Indicate what changes in operations your agency will experience in order to provide the services and how you plan to measure whether the changes occur or not (adding staff, adding service locations, adding data tracking capabilities, etc.).

### **Sections 7 & 8: Project Budget**

Download the budget form in WebGrants and complete the form to summarize the entire proposed budget including the distribution of uses by line item. Upload the completed budget form in WebGrants.

In the "other funds" column please show your anticipated matching funds for the proposed project. If your program will include subcontractors, clearly designate the project costs for each of the subcontracted agencies.

Please provide a budget narrative to explain or justify the amount entered for each budget item in the budget worksheet, including:

- Your methodology for determining the budgeted amounts including the reasoning behind the amounts allocated for service or cost.
- How each budget item relates to the implementation of the proposed project and the achievement of the proposed performance goals

Matching funds bonus – The federal funding in this RFP is not intended to be a permanent source of funding. Leveraging other funds will support the sustainability of the project and the City will provide 2 or 4 bonus points (on a 100 point scale) to agencies that demonstrate matching/leveraged funds. Matching funds must be from a non-City funding source and must be received, committed, or projected to receive the bonus points.

- Received: Funds are on hand
- Committed: Agency has a firm commitment for funding (demonstrated by an agreement or a letter confirming funding)
- Projected: Anticipated renewal of existing funding or a realistic projection of fees, donations, and other revenues based on prior year actual.

Bonus points will be awarded based on the following formula:

- 20-39% of City grant portion = +2 points
- 40-100% of City grant portion cost = +4 points

Example: If an agencies is applying for \$100,000 in City funds under this proposal and provides \$25,000 in matching funds to support the project, this is equal to 25% of the city

grant portion and the agency would be awarded +2 points. If the agency commits \$50,000 in matching funds, this is equal to 50% of the City grant portion and the proposal will receive +4 points.

To receive bonus points for committing matching funds, applicants must include the funds in the budget worksheet (in the leveraged funds columns) AND provide a description of the funding source and the status of the funds in the budget narrative. Name and describe the funding source and indicate whether the funds are received, committed, or projected in the budget narrative. The City will verify the status of funds prior to entering into a grant agreement with any selected agency. The City may request documentation to verify the status of the funds during the application review process.

### **Section 9: References**

Please provide references for any City of San José grant project that you have implemented/are currently implementing. Please also provide three references that can speak to the agency's ability to successfully implement the proposed project or that have funded other agency programs.

### **Section 10: Certification and Assurances**

The authorized agency representative's name and contact information must be listed here.

### **Section 11: Debarment and Suspension Certification**

This certification must be signed by the authorized agency representative. This certifies that neither the agency nor any of its principals have been suspended or debarred from receiving any federal assistance due to contract violations. A search on the federal Excluded Parties List System will be performed prior to contract execution.

### **Section 12: Certification Regarding Drug-Free Workplace Requirements**

This certification must be signed by the authorized agency representative. This certifies that the agency will provide a drug-free workplace by notifying employees that possession or use of a controlled substance is prohibited in the workplace, establish a drug-free awareness program, and provide each employee engaged in the performance of the grant a copy of the notice.

### **Section 13: Supporting Documents**

This section includes all supporting documents to be uploaded.

- Budget Worksheet
- Measurement Methodology Supporting Documents (surveys, questionnaires, pre and post-tests, etc.)
- Board Approval to submit application and authorization to Sign (Board Certified & on Agency Letterhead)
- Client Intake Packet and Eligibility Criteria (if applicable)
- Job descriptions (for staff listed in City budget only)

- Staff resumes for filled positions, chief administrator, and chief fiscal officers
- 2 Most Recent Annual Agency Financial Audits and Management Letters
- Program Outreach / Marketing Materials
- Performance Measurement Tools (surveys, pre and post-program questionnaires, etc.)
- Client Fee / Donation Policy
- Most current Proof of Liability Insurance (all subcontractors must be listed on policy)
- Articles of Incorporation
- By-Laws
- Policy & Procedures Manual (include policies prohibiting discrimination, grievance procedures, and conflict of interest)
- Organizational Chart
- List of Board of Directors (include occupation & years of service as a board member)
- Letter from IRS for 501(C)(3) Tax Exempt Status
- Letter from the Franchise Tax Board for Tax Exempt Status

# Attachments



## **Attachment A1: Neighborhood Engagement**

### **Funding Source: CDBG**

### **Program Summary**

The goal of the Neighborhood Engagement program is to improve social capital in San José neighborhoods, increase community engagement and cohesion, build the capacity of local organizations, and develop leadership skills of residents to promote, support, and sustain civic engagement by populations that are typically underrepresented in city governance and civic processes. This work will build upon the previous successes of the Strong Neighborhoods Initiative and the work of the Housing Department's Place Based Initiative.

#### *Elements of the program*

- Focus on low-income neighborhood(s).
- Identify the issue and goals of the program including measurable indicators of desired success.
- Demonstrate knowledge of assets, resources and potential partners in identified focus area(s) and explain how these resources will be utilized.
- Provide a clear and realistic plan to achieve the goals of the proposed program. Proposal should address:
  - o Plan for resident outreach and engagement
  - o Description of capacity and skill building activities
  - o Description of how these activities will contribute to the goal of developing sustainable leadership within communities.
- Proposed initiative should demonstrate considerations of cultural competence, language access and literacy in initiative design and implementation.
- Activities and timelines should be clearly stated including location of programming, hours of operation, staff and volunteer structure, and curriculum, if applicable.
- Demonstrate the ability to prepare residents for effective participation in city and other governmental processes in order to achieve positive change in their neighborhoods.
- Identify measureable data points that will demonstrate the positive impact of the initiative. Outcomes may focus on neighborhoods, groups, and/or individuals.

### **Eligible Activities**

Activities eligible under the CDBG regulations will be considered. Activities may include, but are not limited to:

- Leadership training/classes
- Mentoring activities
- Community events, such as neighborhood clean ups or health fairs
- Community outreach and education

### **Program Requirements**

Proposed Neighborhood Engagement projects must meet all of the CDBG requirements in Section II of this RFP. Funded fair housing projects will likely be funded out of the City's Public Service funding category. The public service must be either a new service or a quantifiable increase in the level of a service above that which is currently provided. The program must meet the low-mod limited clientele national objective. See section 3 for more information on national objectives and income limits for 2015. The City will provide updated income limits when released by HUD.

In addition to meeting federal requirements, funded agencies will be expected to work with the Housing Department to assist in outreach to community members throughout the term of the projects. This may include City events or opportunities for resident engagement in City decision making. In particular, funded programs may be asked to assist in reaching out to community members to solicit feedback on potential CDBG community development projects in low and moderate income neighborhoods.

### **Program Specific Questions**

1. Describe the need the proposed project addresses. Explain how the proposed project will effectively address this need.
2. What is the overall structure of your proposed program? If you are applying as a consortium, please identify the lead agency as well as all other agencies who will provide services funded through this grant and describe the services each will provide. Where will the services be located? Describe when you will be ready to commence services.
3. Describe how your proposed program will contribute to the goal of strengthening neighborhoods. Do not simply assert that the proposed program contributes to reaching this goal – demonstrate how.
4. Is this a new or existing service funded by CDBG? Will there be a quantifiable increase in services with CDBG funding? Explain how you would utilize CDBG funds to leverage additional funding in support of the project.
5. How will your proposed program identify and engage prospective program participants? Describe outreach and program marketing efforts. Describe how you will ensure that perspective participants are eligible and receive the appropriate level and type of assistance. Include the process for referrals to partners or other agencies if applicable.
6. Describe your program staffing and how you will ensure adequate levels of staffing for each activity proposed and across all agencies (if a consortium).

7. Describe how many individuals/households you plan to serve over the grant period and what services they will receive. Describe any follow-up you will conduct including the time periods at which they will occur.
8. Explain the efforts that are in place to ensure that the proposed project will provide culturally competent and linguistically accessible services to persons from diverse backgrounds, including persons who are members of a protected class, homeless, and/or low- and moderate-income.
9. How do you currently include community members as leaders, key advisors and decision-makers as you implement programming? How will you engage community members as decision makers to roll out the work of this grant?
10. Could the proposed project be replicated in additional neighborhoods in future years? Does your agency have the capacity (and interest) to expand to additional neighborhoods in the future?

## **Attachment A2: Fair Housing**

### **Funding Source: CDBG/HOME**

### **Program Summary**

Fair housing represents an ongoing concern in Santa Clara County, evidenced in the results of a survey of residents conducted during the development of the City's 2015-2020 Consolidated Plan. Of the 1,472 total survey respondents, 192 (16 percent) said they have experienced some form of housing discrimination. The majority of respondents (29 percent) who experienced discrimination indicated that race was the primary factor for that discrimination. Additionally, 66 percent indicated they were discriminated against by a landlord or property manager. Interviews with local service providers indicate that many home seekers and landlords are unaware of federal and state fair housing laws.

In community meetings, several service providers noted the need to expand the provision of free or low-cost legal services to protect fair housing rights and to mediate tenant/landlord issues. Education for tenants and landlords was identified as a vital need to prevent illegal evictions and address housing discrimination.

To address this need, the City desires to promote fair housing choice through on-going education and outreach, enforcement activities, provision of legal representation, fair housing testing in local apartment complexes, and ensuring that local ordinances are in compliance with federal and state fair housing laws. All services will be provided to low and moderate-income individuals and families.

### **Eligible Activities**

The City plans to fund proposals that include some or all of the eligible activities below. Comprehensive proposals that include multiple strategies to address fair housing issues will be more competitive.

- Outreach and education, including training, for **residents** regarding fair housing issues
- Outreach and education, including training, for **property owners** regarding fair housing issues
- Enforcing fair housing laws through mediation and litigation
- Conducting fair housing testing
- Providing technical assistance to the Housing Department on monitoring City-financed developments for fair housing compliance
- Other fair housing services that meet CDBG eligibility requirements

### **Program Requirements**

Proposed Fair Housing projects must meet all of the HOME and CDBG requirements in Section II of this RFP. Funded fair housing projects will be funded out of the CDBG Public Service and Administration funding categories and/or HOME's administration (AD) funds.

## Program Specific Questions

1. Describe the need in the City of San José the proposed project will address. Explain how the proposed project will effectively address this need.
2. What is the overall structure of your proposed program? If you are applying as a consortium, please identify the lead agency as well as all other agencies who will provide services funded through this grant and describe the services each will provide. Where will the services be located? Describe when you will be ready to commence services.
3. Describe how your proposed program will contribute to the goal of Promoting Fair Housing Choice. Do not simply assert that the proposed program contributes to reaching this goal – demonstrate how.
4. How will your proposed program identify and engage prospective program participants? Describe outreach and program marketing efforts.
5. Describe who you intend to serve and how you will ensure that they are eligible and receive the appropriate level and type of assistance. Include the process for referrals to partners or other agencies if applicable.
6. Describe your program staffing and how you will ensure adequate levels of staffing for each service proposed and across all agencies (if a consortium).
7. Describe how many individuals/households you plan to serve over the grant period and what services they will receive. Describe any follow-up you will conduct including the time periods at which they will occur.
8. Describe how many property owners you plan to serve over the grant period and what services they will receive. Describe any follow-up you will conduct including the time periods at which they will occur.
9. Explain the efforts that are in place to ensure that the proposed project will provide culturally competent and linguistically accessible services to persons from diverse backgrounds, including persons who are members of a protected class, homeless, and/or low- and moderate-income.
10. Describe your agency's knowledge of the Affirmatively Furthering Fair Housing requirements. How would the proposed project support the City's efforts related to Affirmatively Furthering Fair Housing?

## **Attachment A3: Housing Opportunities for People with AIDS**

### **Funding Source: HOPWA**

#### **Program Summary**

Homelessness is a multi-faceted complex issue, and as such, the solution for ending homelessness must also be multi-faceted, multi-disciplinary and integrated. Therefore, this RFP seeks individual agencies or consortiums of agencies that will provide, either directly or through partnerships and referrals, housing and support services to low income individuals living with HIV/AIDS, with a priority given to homeless individuals. The goal of the City's HOPWA program is to provide the resources necessary to permanently house individuals living with HIV/AIDS in Santa Clara County and San Benito County. These services may include deposit and rent assistance, supportive services, and information and referrals.

Awarded agencies that serve Santa Clara County residents must develop tenant selection policies and procedures that strongly prioritize available housing funds to be used on individuals who: 1) are identified as "vulnerable" by the Care Coordination Project (CCP); and 2) meet the HOPWA funds' eligibility criteria. The policies and procedures must be used to identify new clients as existing clients leave the program or additional housing funds are otherwise secured. The tenant selection policies and procedures must be approved by the Housing Department prior to the grant start date of July 1, 2016.

Awarded agencies that serve San Benito County residents must develop tenant selection policies and procedures meet the HOPWA funds' eligibility criteria. The tenant selection policies and procedures must be approved by the Housing Department prior to the grant start date of July 1, 2016.

#### **General HOPWA Eligible Activities**

In general, HOPWA funds can be used to support costs associated with the following activities:

- Housing information services
- Resource identification to establish, coordinate and develop housing assistance resources for eligible persons
- Project- or tenant-based rental assistance
- Short-term rent, mortgage, and utility payments to prevent the homelessness of the tenant or mortgagor of a dwelling
- Supportive services
- Operating costs for housing
- Technical assistance in establishing and operating a community residence
- Administrative expenses (no more than 7% of the grant amount for project sponsors)

#### **Program Specific Requirements**

Clients eligible for HOPWA assistance are low-income individuals (below 80% of area median income) who have documented HIV/AIDS status.

Projects must meet the eligibility requirements outlined in 24 CFR Part 574:

### **Program Specific Questions**

Please provide a detailed description of your proposed program. Include responses to the following questions in your answer:

1. What is the overall structure of your proposed program? If you are applying as a consortium, please identify the lead agency as well as all other agencies who will provide services funded through this grant and describe the services each will provide. Where will the services be located? Describe when you will be ready to commence services and attach a timeline.
2. Describe how your proposed program will contribute to the goal of preventing or ending homelessness. Do not simply assert that the proposed program contributes to reaching this goal – demonstrate how.
3. How will your proposed program identify and engage prospective program participants? Describe who you intend to serve and how you will ensure that they are eligible and receive the appropriate level and type of assistance. Include a description of ongoing assessment procedures.
4. Describe your program staffing and how you envision clients “flowing” through your program and, if applicable, between provider agencies.
5. Describe how many individuals and households you plan to serve over the grant period and what services they will receive. Describe the follow-up you will conduct including the time periods at which they will occur.
6. Describe how you will connect clients to all of the services they need to obtain and maintain permanent housing, including mainstream programs such as food stamps. Please provide a list of agencies to which program participants will likely be referred and what services those agencies provide.
7. Describe how you plan to structure the use of rental subsidies including the prioritization of clients and the maintenance of the waiting list (if applicable). Explain how you will ensure that clients are not receiving financial services from other agencies.
8. If your program will include case management services, please describe the case management model you will utilize for clients both pre- and post-housing.

9. If your program will serve Santa Clara County residents, describe how you will work with the Housing 1000 campaign to identify and serve eligible vulnerable residents, as determined through its vulnerability index.
10. Explain the efforts that are in place to ensure that the proposed project will provide culturally competent and linguistically accessible services to persons from diverse backgrounds, including persons who are members of a protected class, homeless, and/or low- and moderate-income.



## **Attachment A4: Job Training and Economic Development**

### **Funding Source: CDBG**

#### **Program Summary**

The City seeks to support job training for low income individuals, focused on homeless individuals and/or youth/young adults (ages 16-24). Community outreach related to the annual action plan highlighted a community need for job training, especially for unhoused individuals and youth/young adults. This program must meet the national objective of low/moderate job creation and retention (LMJ). Activities must create or retain permanent jobs to be made available or held by low/moderate income persons. In addition, in order to be eligible for CDBG funding the job training must be tied to assistance to for-profit businesses. Non-profit entities, including Community Based Development Organizations, are eligible to apply.

#### **Program Specific Requirements**

##### *Linkage to Permanent Jobs*

CDBG regulations require that job training must be linked to a permanent job - a job, which upon completion of the training, will be filled by the trainee. For the purposes of this proposal, applicants must form partnerships with local employers for job placements for the project to be eligible. The business partnerships may be developed after the submission of the proposal, but must be established prior to project start on July 1<sup>st</sup>, 2016. Agencies will be required to submit letters of commitment from business, including the number of job placements and types of positions, prior to the project start date. Proposals demonstrating an existing or committed partnership with businesses at the time of submitting the application will be rated higher.

The City recommends including the following steps to form partnerships with local employers.

- Work with local employers to identify their needs. If possible, link the training program to employers' own search and recruitment efforts;
- Promote employer ownership by encouraging their input into the design and content of the program;
- The ultimate goal is job placement, in which employers agree to place graduates of the training program within their organization.

Soft skills training is eligible, if combined with specific skill-based training for an existing job.

One important element of creating an effective job training program is job readiness.

In addition to providing job skills training, there may be a need for counseling and/or classes teaching self-esteem building, how to take constructive criticism, getting to work on time, dressing professionally, interviewing, and resume writing.

##### *Meeting the Public Benefit Standard*

The use of these standards is mandatory. Grantees are responsible for ensuring that a minimum level of public benefit is obtained when CDBG funds are used for special economic development projects and when used for public facilities and improvements projects undertaken for

economic development purposes.

The standards have two levels: standards for individual activities and aggregate standards.

- Standards for Individual Activities—An activity is considered by HUD to provide insufficient public benefit and cannot be assisted with CDBG funds if:
  - o The amount of CDBG assistance exceeds \$50,000 per full-time equivalent (FTE), permanent job (created or retained) or \$1,000 per LMI person to which goods and services are provided by the activity;
  - o In addition, an activity would be considered to have an insufficient benefit if it consists of or includes:
    - General promotion of the community (as a whole);
    - Assistance to professional sports teams;
    - Assistance to privately-owned recreational facilities that serve a predominantly higher income clientele where the benefit to users clearly outweighs the benefit of jobs created or retained;
    - Acquisition of land for which a specific use has not been identified (i.e., land banking); or
    - Assistance to a for-profit business owner that is the subject of unresolved findings of noncompliance related to previous CDBG assistance.
- Aggregate Standards—Activities, in the aggregate, must either:
  - o Create or retain at least one FTE, permanent job per \$35,000 of CDBG funds used; or
  - o Provide goods and services to an area where the number of LMI persons served by the assisted business amounts to at least one LMI person per \$350 of CDBG funds used.
  - o Certain activities can be excluded from the aggregate standards (as discussed in 570.209(b)(2)(v)). This includes:
    - Provides jobs exclusively for unemployed persons
    - Provides jobs predominantly for homeless persons;
    - Provides jobs predominantly for low-skilled, low- and moderate-income persons, where the business agrees to provide clear opportunities for promotion and economic advancement, such as through the provision of training;
    - Provides jobs predominantly for persons residing within a census tract (or block numbering area) that has at least 20 percent of its residents who are in poverty;
    - Provides assistance to business(es) that operate(s) within a census tract (or block numbering area) that has at least 20 percent of its residents who are in poverty;
    - Stabilizes or revitalizes a neighborhood that has at least 70 percent of its residents who are low- and moderate-income;
    - Provides assistance to a Community-Based Development Organization\*

serving a neighborhood that has at least 70 percent of its residents who are low- and moderate-income;

- Directly involves the economic development or redevelopment of environmentally contaminated properties.

#### *Community-Based Development Organizations*

As stated above, Community-Based Development Organizations are exempt from meeting the aggregate public benefit standard.

Community Based Development Organizations (CBDOs) may carry out certain activities in connection with neighborhood revitalization, community economic development or energy conservation projects.

- A neighborhood revitalization project must include activities of sufficient size and scope to have an impact on the decline of a particular neighborhood.
  - The neighborhood must be designated in a local comprehensive plan or other local planning document or ordinance.
- A community economic development project must include activities that will increase economic opportunity, principally for LMI persons, or that retain or create jobs.
  - Projects that address a lack of affordable housing accessible to existing or planned jobs are considered eligible under a community economic development project.
- Energy conservation projects must include activities that address energy conservation, principally for LMI persons in the community.

In order to qualify as a CBDO, an organization must have the following characteristics:

- Is organized under state or local law to engage in community development activities in a specific geographic area within the community;
- Has as its primary purpose the improvement of the physical, social, economic environment of its service area by addressing one or more critical problems in the area, with particular attention to the needs of LMI persons;
- If a for profit organization, the profits to shareholders or members must be incidental to its operations;
- The governing body's membership consists of 51 percent LMI residents of its service area or owners or officers of entities located in the service area or representatives of LMI organizations in the service area;
- Is not an agency or instrumentality of the grantee, and no more than one-third of the board is elected or appointed public officials or employees of the grantee; and
- The governing body is nominated by the general membership of the organization.

If your agency would like to apply to be a CBDO, please include the CBDO application in your proposal.

#### **Program Specific Questions**

1. Describe the need in the City of San José the proposed project addresses. Explain how the proposed project will effectively address this need.
2. How you would you use CDBG funds to leverage additional funding in support of the project (i.e., what other funding sources will be used)?
3. What is the overall design of your proposed program? Describe the services to be provided under this proposal and related/support services provided through other funding sources. Where will the services be located? Describe when you will be ready to commence services.
4. Describe who you intend to serve and how you will ensure that they are eligible and receive the appropriate level and type of assistance. Include the process for referrals to partners or other agencies if applicable.
5. Describe how your proposed program will contribute to the goal of Strengthening Neighborhoods and/or Responding to Homelessness and It's Impacts on the Community. Do not simply assert that the proposed program contributes to reaching this goal – demonstrate how.
6. Describe existing and/or potential partnerships with local businesses, including how your program will meet the job placement requirement.
7. How will your proposed program identify and engage prospective program participants? Describe outreach and program marketing efforts.
8. Describe your program staffing and how you will ensure adequate levels of staffing for each service proposed and across all agencies (if a consortium).
9. Describe how many individuals/households you plan to serve over the grant period and what services they will receive, including the number individuals training and the number of job placements. Describe any follow-up you will conduct including the time periods at which they will occur.
10. Explain the efforts that are in place to ensure that the proposed project will provide culturally competent and linguistically accessible services to persons from diverse backgrounds, including persons who are members of a protected class, homeless, and/or low- and moderate-income.

## **Attachment A5: Single-Family/Mobile Home Minor Repair**

### **Funding Source: CDBG**

#### **Program Summary**

The City of San José's housing stock is aging, and many low income residents cannot afford the repairs needed to maintain their home in a safe and sanitary condition when urgent and minor repairs arise. This RFP seeks individual agencies or a consortium of agencies that will provide emergency and minor home repairs for income eligible, owner occupied homeowners of single-family homes or mobile homes. Funding for repairs will be in the form of grants for the participants.

**Emergency Repairs:** Services provided under the "emergency" category are intended to address immediate health and safety needs including, but not limited to, water heater repairs/replacements, furnace repairs/replacements, electrical repairs, and roofing repairs (less than ¼ of the roof area), and miscellaneous plumbing leaks.

**Minor Repairs:** Services provided under the "minor" category is intended to address health and safety deficiencies that do not elevate to "emergency", but that the homeowner simply can't pay for on their own. Deficiencies Include, but are not limited to, debris removal, replacement of doors, windows, installation of ramps/lifts, ADA improvements to bathroom(s), lighting improvements, flooring repairs/replacements accessibility improvements, replace broken windows, doors and other minor repairs.

#### **Program Specific Requirements**

The City intends to allocate up to \$500,000 of CDBG funds for this program. The objective of this program is to provide emergency and minor repairs to homeowners who meet eligibility requirements under the CDBG regulations. See section 3 for more information on national objectives and income limits for 2015. The City will provide updated income limits when released by HUD. Proposals must meet all of the CDBG requirements in Section II of this RFP. The awarded agency will be expected to establish performance measures, and meet performance objectives.

In addition to meeting federal requirements, funded agencies will be expected to work with the Housing Department to assist in outreach to community members throughout the term of the projects. This may include City events or opportunities for resident engagement in City decision making. In particular, funded programs may be asked to assist in reaching out to community members to solicit feedback on potential CDBG community development projects in low and moderate income neighborhoods.

Selected agency (ies) should have the capacity to *(this is not a comprehensive list of activities)*:

- Enter into a Memorandum of Understanding (MOU) with an outside contractor with a B License or have one on staff as the contractor of record. If the agency must go outside for the contractor, indicate how procurement of said contractor will take place.

- Acquire skilled specialty contractors for sub-trades such as plumbing, heating and/or roofing.
- Develop an outreach material to ensure that qualified households are aware of the available services.
- Develop a system by which applications are reviewed, processed and client eligibility is verified and tracked.
- Develop a system by which to prioritize projects and track that they are completed in a timely manner.
- Accept and follow-up on referrals from the Housing Department and other government and nonprofit agencies.
- Assess/document the repair needs of each applicant (i.e., create scope of work).
- Comply with National Environmental Protection Agency (NEPA) requirements.
- Comply with Lead Safe Practices (when applicable).
- Obtain the appropriate trade permits through the proper governing agency (e.g., City of San José or California Department of Housing and Community Development)
- Contract directly with the property owner to perform the services.
- Conduct progress and final inspections to make certain required permits are signed off and work is complete. If no permits are required on the job, final inspection must still be completed to make certain that work on the contract is complete and to acceptable standards.
- Supply all labor, materials and equipment necessary to complete repairs (CDBG cannot reimburse for the purchase of tools).
- Obtain required lien releases from contractor and/or subcontractors.
- Take before and after pictures.

### **Program Specific Questions**

1. What is the overall structure of your proposed program?
2. How you would you use CDBG funds to leverage additional funding in support of the project (i.e., what other funding sources will be used)?
3. Describe your agency's staffing (attach organizational chart and position descriptions), and how the staffing plan can support the proposed program. Explain how oversight and supervision will occur. Provide resumes for key staff who will be providing services.
4. Describe your agency's outreach and education model that you will use to ensure that all qualified applicants are aware of the available services. How will underserved populations be reached?
5. Provide a timeline for how you will respond to urgent request for service. Specify the length of time from initial intake to work completion.
6. Describe how you will prioritize projects and track their completion.

7. Describe what other agencies (government or nonprofit or otherwise) you work closely with and have relationships.
8. Explain the efforts that are in place to ensure that the proposed project will provide culturally competent and linguistically accessible services to persons from diverse backgrounds, including persons who are members of a protected class, homeless, and/or low- and moderate-income.
9. Describe efforts you can make in contracting with Section 3 qualified contractors (i.e., contractors who hire low-income individuals or are low-income themselves), local area contractors and/or Woman Based and Minority Based Enterprises (MBE-WBE).
10. Describe how many individuals/households you plan to serve over the grant period and what services they will receive. Describe any follow-up you will conduct including the time periods at which they will occur.

## **Attachment B: Glossary of Terms**

**Best Practices** – Evidence based and replicable approaches to service delivery that have worked in the past and have produced successful results.

**Collaboration** – Sharing of resources, whether cash match or in-kind, that impacts the delivery of the proposed service. Examples of collaborative partners may include, but is not limited to school sites where services will be located, school districts where services will be located, and other non-profit Community Based Organizations.

**National Objective** – All funded projects must meet the National Objective of benefiting low- and moderate-income persons. Details on how to meet this objective can be found on page 16.

**Outcomes** – Outcomes are benefits or changes for individuals or populations during or after participating in the program activities. They are influenced by a program's outputs and may relate to behavior, skills, knowledge, attitudes, values, condition, status or other attributes.

**Project Sponsor (HOPWA Only)** - Project sponsor means any nonprofit organization or governmental housing agency that receives funds under a contract with the grantee to carry out eligible activities under this part. The selection of project sponsors is not subject to the procurement requirements of 2 CFR part 200, subpart D.

**Subrecipient (CDBG Only)** – Subrecipient means a public or private nonprofit agency, authority, or organization, or a for-profit entity authorized under §570.201(o), receiving CDBG funds from the recipient or another subrecipient to undertake activities eligible for CDBG assistance.

**Unduplicated Participant** – A participant who receives services at least once a year but who may not be counted more than once in that year.



### **Attachment C: Insurance Requirements**

GRANTEE, at GRANTEE's sole cost and expense, and for the full term of this grant or any renewal thereof, shall obtain and maintain at least all of the following minimum insurance requirements prior to receiving any monies under the grant:

- A. A COMMERCIAL GENERAL LIABILITY: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage, products and completed operations, including non-owned and hired automobile if not insured separately.
- B. A WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY: Workers' Compensation limits as required by the Labor Code of the State of California and Employers' Liability limits of \$1,000,000 per accident; coverage shall be endorsed to state carrier waives its rights of subrogation against the City its officials, employees, agents and contractors.
- C. AUTOMOBILE LIABILITY: \$500,000 combined single limit coverage described in Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 "any auto" or Code 2 "owned autos," and Endorsement CA 0025. Coverage shall also include Code 8 "hired autos" and Code 9 "no owned autos"; and Coverage's shall be applicable to any and all leased, owned, hired or non- owned vehicles used in pursuit of any of the activities associated with the grant agreement.  
NOTE: This Section C applies only if an owned or leased vehicle is used in conjunction with the operation of this project.
- D. SOCIAL SERVICE AGENCIES AND CLINICS PROFESSIONAL LIABILITY: \$1,000,000 limit of liability (if applicable).<sup>1</sup>
- E. LAWYERS' PROFESSIONAL LIABILITY: \$1,000,000 limit of liability (if applicable).<sup>2</sup>

### **ENDORSEMENTS**

The policies are to contain, or be endorsed to contain, the following provisions.

- 1) General Liability and Automobile Liability Coverages
  - a. The City, its officials, employees, agents and contractors are to be covered as additional insured as respects: liability arising out of activities performed by, or on behalf of, the GRANTEE; products and completed operations of the GRANTEE; premises owned, leased or used by the GRANTEE; or automobiles owned, leased, hired or borrowed by the GRANTEE. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees, agents and

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<sup>1</sup> Only if providing family or group therapy, interview or counseling or services. Also required if providing limited medical or psychiatric services, family therapy, domestic counseling, child guidance, etc.

<sup>2</sup> Only if providing legal services.

contractors.

- b. The GRANTEE's insurance coverage shall be primary insurance as respects the City, its officials, employees, agents and contractors. Any insurance or self-insurance maintained by the City, its officials, employees, agents or contractors shall be excess of the GRANTEE's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its officials, employees, agents, or contractors.
- d. Coverage shall state that the GRANTEE's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. Coverage shall contain a waiver of subrogation in favor of the officials, employees, agents and contractors.

#### PROOF OF COVERAGE

Copies of all the required ENDORSEMENTS above shall be attached to the CERTIFICATE OF INSURANCE, which shall be provided by the GRANTEE's insurance company as evidence of the stipulated coverage's. The certificate must be uploaded in WebGrants.

## **Attachment D: General Audit Review Process**

### **Introduction**

The financial statements can provide valuable information on the financial health of the organization and the organization's ability to manage its business. This attachment will provide descriptions of the various components of the financial statements, and the analysis to determine the financial health of the organization. The numeric information is important, but it should not stand alone. Valuable information is found within the Auditor's Report and Management Letter (if applicable), and the Notes, which will be used to complement the numeric information. Staff will review two years of financial statements to observe trends in financial performance of the agency.

The following section is only intended to provide general information about the types of information the City will be reviewing when analyzing audited financial statements.

### **Key Concepts**

In the review of financial statements, staff will work under a common set of key concepts to ensure consistent review and evaluation between the various departments or units that are performing financial statement review and analysis. Financial statement review are based on these concepts, therefore a working vocabulary must be established for consistency and understanding. These concepts are:

Cash vs. Accrual Basis: Cash and accrual basis accounting are two different methods of recording income and expenses. They differ in the determination of when to recognize and record transactions in financial records.

- Cash basis accounting: Income is recognized and recorded only when cash is actually received and expenses are recorded only when they are paid. If a nonprofit is working on a cash basis accounting system, this should be noted in the Notes section of the audit.
- Accrual basis accounting: Income is realized in the accounting period in which it is earned, regardless of when cash is actually received. Expenses are recorded as they are owed instead of when they are paid. This method is the best practice and creates a true picture of the agency's financial status.
- It important to note that some agencies maintain their day-to-day financial records on a cash basis during the year and then re-state their financials on an accrual basis for the purpose of year-end financial statements and the audit.

Income Types and Restrictions: Income received by nonprofits generally fit under two main categories:

- Earned revenue: Income that the nonprofit obtained through exchange of transactions, such as fees, and government contracts. These transactions should be recorded when the revenue is earned.
- Support: Grants and contributions fall under this category and are recorded based on conditions and level of restriction.
  - Unconditional: Contributions given without reference to any contingency or qualifying event. These contributions are recorded at the time the donor makes

the commitment.

- Conditional: Contributions made contingent upon a qualifying event or condition that must be met. These contributions are not recorded until the condition has been met.
- Restricted Support: Grants and contributions must be recorded according to generally accepted accounting principles for nonprofit organizations. Support should be reported in the following three categories on the Statement of Activities.
- Unrestricted: These grants or contributions have been given without stipulation as to how they are to be used.
- Temporarily restricted: These grants or contributions have been given with a specific purpose or during a restricted period of time. Once the restriction is met or expired, the restriction is lifted.
- Permanently restricted: These grants or contributions usually take the form of endowment grants/gifts. The principal of the contribution is to be invested according to the donor's wishes. The income from the investment can be either further restricted or unrestricted.

**Functional Classification of Expenses:** Nonprofits are required to report expenses by functional classification or activity as well as by line item. The two primary types of nonprofit activities are: 1) program services defined as activities that result in goods and services being delivered to beneficiaries, and 2) support services are defined as all activities other than program services, which include general administration, fundraising and membership development.

**Employee Time Tracking:** All employees should account for their time by funding source and activity. Agencies awarded CDBG funds will be required to use a timecard template provided at time of contract.

**Common Costs and Allocations:** These costs consist of the costs that are shared by all programs and may not be easily identified with a single program or function. Examples of such cost include office supplies, telephone, postage, occupancy, salaries of staff such as office managers and technology managers (see 24CFR Part 200). Allocation is a method of distributing costs throughout the organization. Specific funding sources, like federal or State, may dictate specific methods of allocating common costs. It is imperative that cost allocation methods be reviewed with your analyst.

Four common approaches to cost allocations are as follows:

1. Square Footage – based on the percentage of agency office square footage used for the activity
2. FTE – based on the percentage of full-time equivalents used by each program
3. Payroll – based on each activity's percentage of the total agency payroll

4. Program-specific costs – based on the percentage of agency costs incurred by the program before common costs are added

*Using a percentage of income of each activity or program to the total income of the organization is NOT an acceptable basis since income is not an accurate measure of how resources are being used.*

Capitalization and Depreciation: Items purchased by the nonprofit and used over a period of years should be capitalized and depreciated over their useful life.

- Capitalization means that an item is recorded as an asset instead of an expense at the time of purchase.
- Depreciation is a means of reducing the value of an asset over the useful life of the item.

Staff will request a copy of the nonprofit's capitalization and depreciation policy.

### **Audited Financial Statements**

All audits must be performed by a certified public accountant currently licensed to practice in the State of California, must conform to generally accepted auditing standards and otherwise be in a form acceptable to the City Manager. Acceptable forms include:

1. An original, bound copy signed by the certified public accountant responsible for the work, OR
2. A protected document file format (.pdf) emailed from the agency's certified public accountant

Agencies must submit audits within 150 days from the end of the agency's fiscal year. If this deadline cannot be met, the agency must keep the city staff informed as to the expected date of receipt and the reason for the delay.

Several reports are contained within the audit. They are as follows:

- 1) Independent Auditor's Report: Each set of audited financial statements will contain an Independent Auditor's Report. This report will contain three required paragraphs, usually in the following order:
  - a) Introductory Paragraph: The Introductory Paragraph will provide the Auditor's role in performing the review. It generally provides information about the time period the audit covers, responsibility over the financial statements, and the auditor's role of providing an opinion based on their review. This paragraph also limits the auditor's responsibility for possible inaccuracies.
  - b) Scope of Work: The Accounting Standards used and whether or not the agency complied with the particular accounting standards will be noted. The accounting standards are reported to indicate that the organization is maintaining their financial records consistently with acceptable accounting rules and practices. If the auditor

does not find any problems with the statements, they will simply state that the statements have been prepared “in conformity with generally accepted auditing principles” (or GAAP).

- c) Opinion Paragraph: The Auditor’s opinion is usually located within the third paragraph. The auditor will state their opinion of the financial statements. This opinion needs to be evaluated in conjunction with the financial information provided. It cannot stand alone. The opinions provided are generally:
- Unqualified – no red flags that limit the auditor’s opinion
  - Qualified – if problems exist, auditors qualify their opinions and note the problem areas and/or areas of concern. A qualified report should also generate a discussion of the problems in the Management Letter.

Staff will review additional paragraphs that may reference information in the Audit Notes, Management Letter or Supplemental Statements. This will provide the reviewer specific concerns that must be taken into consideration during the review of the statements, such as opinion on internal controls and findings and/or questioned costs.

2) Other opinions or statements that need to be addressed can be:

- a) Doubt of a Going Concern – A “going concern” is an entity that appears capable of continuing to operate successfully. If there is substantial doubt that an agency has the ability to stay in business; the auditors will indicate that the agency has a going-concern problem. Problems can include ongoing losses or capital deficiencies.
- b) Internal Controls are business and accounting practices of an entity. Problems with internal controls may include:
- Material Weaknesses
  - Significant Deficiencies (Reportable Conditions)
  - Material Noncompliance

### **Management Letter**

The Management Letter opens a discussion with the organization’s management and the auditing team. This letter informs management of what went smoothly or what went wrong during the audited year. This letter may also refer to specific notes in the financial statements. Staff will review these notes carefully and in the context of the entire audit.

### **Financial Statements**

There are four basic financial statements that must be included in the Audited Financial Statements. These statements reflect an organization’s financial position as part of a complete set of statements prepared in accordance with generally accepted accounting principles.

Statement of Financial Position: Is a snapshot of the organization’s financial position as of one point in time and provides liquidity information on the nonprofit agency. This statement will include:

#### Assets

- Current Assets – Assets that will be available within the next 12 months
  - Cash
  - Accounts Receivables (A/R)
  - Other Assets
- Fixed Assets –Long term assets
  - Property
  - Equipment

#### Liabilities

- Current Liabilities: Liabilities that will be due within the next 12 months
  - Accounts Payable
  - Accrued Expenses
  - Current portion of long term debt
- Non-current Liabilities
  - Notes Payable
  - Other Debt longer than 12 months
- Net Assets
  - Unrestricted
  - Temporarily Restricted
  - Permanently Restricted

Statement of Activities: Reflects all of the organization’s financial transactions and calculations from the beginning to the end of the fiscal year, which may result in an increase or decrease in the net assets. This statement may also be identified under “Statement of Income and Expenses”. This statement will include:

#### Revenue and Other Support

- Government and Other Support
- Private Grants and Contributions
- Income from fees and programs

#### Expenses

- Program Services
- Management and General
- Fund Raising

#### Net Assets Released from Restrictions

Statement of Functional Expenses: Reflects the organization’s expenses. Though each Grantee will have varying percentages for each category, the percentages identified below can be used as a reasonable benchmark. Different percentages may apply to some programs.

Program Services (72%)

Management and General (17%)

Fund Raising (11%)

Statement of Cash Flows: Reflects the organization's ability to generate positive cash flow, their ability to meet obligations and pay programmatic obligations. This statement will include:

- Cash flows from Operating Activities
- Cash flows from Investing Activities
- Cash flows from Financing Activities

### **Financial Ratios**

Financial ratios are a good tool to use for trend analysis. This requires the review of at least three consecutive years' financial statements. One year alone will not provide the valuable comparative information necessary to determine the agency's financial health. The information to determine the following ratios can be obtained from the Statement of Financial Position.

Liquidity Ratios: Provide the reviewer a quick glimpse of the organization's ability to meet its obligations. The question that should be asked is –“For every dollar of liability, is there an equal or greater amount available in asset?” Below are three ratios that will provide you with a moment-in-time view of the organization's liquidity.

Current Ratio: Compares the Total Current Assets (CA) to the Total Current Liabilities (CL). The Current Ratio should be at least a 1:1, or for every \$1 they owe, they have \$1 in hand or on the way. This indicates that the organization maintains sufficient liquid assets to meet their current liabilities. Current assets and liabilities are defined as assets that are available within the next 12 months and liabilities that are due within 12 months.

This ratio can be a CRISIS Indicator. A 1:1 ratio can be detrimental if they experience a delay in receivables. A 2:1 ratio is preferred but will still prove to be challenging for the agency.

Formula: Current Ratio =  $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

Working Capital: Reflects the value of current assets available to be used as working capital, after all current liabilities are covered.

Formula: Working Capital = Current assets - Current Liabilities

Cash Ratio: Reflects the organization's most liquid cash position and its ability to meet all its obligations with cash and marketable securities. Minimum ratio should be 1:1.

Formula: Cash Ratio =  $\frac{\text{Cash} + \text{Marketable Securities}}{\text{Current Liabilities}}$

Safety Ratios: Provide the reviewer with the organization's overall safety net. They compare the organizations total debt to the net assets or equity. A ratio of less than 1:1 reflects a more



favorable position.

Debt Ratio: Compares the total debt to the agency's total assets. This will identify whether or not the organization has sufficient assets to cover all of its obligations.

$$\text{Formula: Debt Ratio} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

Debt to Equity: Compares the total debt to the agency's net assets.

$$\text{Formula: Debt to Equity} = \frac{\text{Total Debt}}{\text{Total Net Assets}}$$

Reserves: Compares the Unrestricted Net Assets (UNA) less fixed assets to Total Expenditures. This calculation determines how many months the agency can survive if resources cease to come in. A typical agency will maintain a reserve equivalent to 3 to 6 months of operating expense.

$$\text{Formula: \# Months Reserves} = \frac{\text{UNA-Fixed Assets}}{\text{Total Operating Expenses/12 months}}$$

Efficiency Ratios: Are useful in determining the organization's collection effort. It can also provide you a picture of the organization's accounting department capacity and oversight.

A/R Turnover: This ratio reflects the average turnover rate of the accounts receivables as compared to the annual revenue.

$$\text{Formula: A/R Turnover} = \frac{\text{Annual Revenue}}{\text{Accounts Receivables}}$$

Average Collection: This ratio identifies the number of days it takes a receivable to be collected. It is a good indicator of whether or not the organization is having accounting staffing issues.

$$\text{Formula: Avg. Collection (Days)} = \frac{\text{Accounts Receivable}}{(\text{Annual Revenue}/365)}$$

Other financial indicators: Other indicators to look for:

Is total income for the year greater than total expenses for the year?

Is their income diversified? Is the agency too reliant on a single revenue source? What if this source goes away?

Are overhead costs appropriate? Are the total of support costs (administrative and fundraising) excessive compared to total expenses for the year? A fair range would be between 15 and 25%.

### **Audit Notes**

The Audit Notes are a critical component to a complete and thorough audit review. The Notes provide explanations and additional detail that may surface non-compliance and potential problems with internal controls.

### **Audited Financial Statement Review and Analysis**

<b>Criteria</b>
Does the audit indicate it was performed in accordance with GAAP?
Is the audit report complete, including: 1) auditor's report; 2) management letter with satisfactory response (if applicable); 3) statements of: a) financial position, b) activities, c) functional expenses, d) cash flow; 4) notes to financial statements; 5) schedule of findings and questionable costs (if applicable)?
Did the agency receive >\$750,000 in federal funds in the fiscal year audited? If so, are the following supplemental reports included: 1) summary of financial expenditures; 2) report on compliance on internal controls according to GAS; 3) report on compliance on internal controls according to 24 CFR 200 subpart D?
<b>Total revenue / total expense ratio:</b> Is the agency generating sufficient revenue to operate? Are revenues sufficient to cover all operating expense? Are fundraising costs reasonable for revenues generated? Is the revenue to expense ratio at least 1:1?
<b>Liquidity ratios:</b> Does the agency have sufficient liquid assets to meet its obligations? For every dollar of liability, is there an equal or greater amount available in asset? Is current ratio greater than 1:1? Is the cash ratio at least 1:1? Does the agency have a positive working capital budget?
<b>Safety net:</b> These ratios compare the agency's total debt to the net assets or equity, and measures the agency's leverage by looking at what portion of the assets come from debt financing. Questions asked include: Does the agency have a sufficient safety net? Are the debt ratio and the debt to net assets ratios <1:1? Do reserves indicate the number of months an agency can operate if all funding ceases? (A minimum of 3 months operating reserves is typical.)
<b>Efficiency ratios:</b> These ratios provide an indication of the accounting department's capacity and oversight and measures the average turnover ratio of the accounts receivables as compared to the number of days it takes to collect a receivable. The question asked is: Does the agency practice adequate collections efforts?
<b>Income diversification:</b> Measures the agency's income diversification. Favorable income diversification is between 25% to 50% per category (i.e., government, private grants, and foundations.) The question asked is: Is the agency too reliant on a single revenue source?
<b>Overhead Costs:</b> Measures the agency's overhead costs (administrative and fundraising). Rates over 25% may require more information.

## **Attachment E: Outcome Performance Measurement System**

The U.S Department of Housing and Urban Development (HUD) has implemented an Outcome Performance Measurement System. This process provides a framework for capturing program outcomes across grant programs that enable HUD to describe these results on a national level. The system establishes a process to identify goals and measure whether goals were achieved. It focuses on the question, “How did this program make a difference?” and strives to link budget decision-making with performance results.

**1) Objectives** – The Outcome Performance Measurement System has three overarching objectives. Objectives reflect the common ways applicants work to achieve their goals. The Objectives incorporated into the Outcome Performance Measurement System are listed below.

- **Suitable Living Environment:** In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- **Decent Affordable Housing:** The activities that typically would be found under this objective are designed to cover the wide range of housing possibilities. This objective focuses on housing activities whose purpose is to meet individual family or community housing needs. It does not include programs where housing is an element of a larger effort to make community- wide improvements, since such program would be more appropriately reported under Suitable Living Environment.
- **Creating Economic Opportunities:** This objective applies to activities related to economic development, commercial revitalization, or job creation.

**2) Outcomes** – Each objective has three potential outcomes. They show how programs benefit a community or the people served. Outcomes may benefit participants during or after their involvement with the program. Outcomes may relate to knowledge, skills, attitudes, values, behavior, condition, or status.

- **Availability / Accessibility.** This outcome category applies to activities that increases or improves the availability or accessibility of services, infrastructure, housing, or shelter to low- and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living affordable, available, and accessible to low-and moderate – income people.
- **Affordability.** This outcome category applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or daycare.

- **Sustainability** – Promoting Livable or Viable Communities. This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low– and moderate–income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhood.

Thus, the three objectives, each having three possible outcomes, will produce nine possible “Outcome/Objective Statements” within which to categorize grant activities.

<b>Categories</b>	<b>Outcome 1: Availability / Accessibility</b>	<b>Outcome 2: Affordability</b>	<b>Outcome 3: Sustainability</b>
<b>Objective #1: Suitable Living Environment</b>	Enhance Suitable Living Environment through Improved/New Accessibility	Enhance Suitable Living Environment through Improved/New Affordability	Enhance Suitable Living Environment through Improved/New Sustainability
<b>Objective #2: Decent Affordable Housing</b>	Create Decent Affordable Housing with Improved/New Availability	Create Decent Affordable Housing with Improved/New Affordability	Create Decent Affordable Housing with Improved/New Sustainability
<b>Objective #3: Economic Opportunity</b>	Provide Economic Opportunity through Improved/New Accessibility	Provide Economic Opportunity through Improved/New Affordability	Provide Economic Opportunity through Improved/New Sustainability

Outputs - are products of a program’s activities, such as the number of meals provided, classes taught, brochures distributed, or participants served. A program’s outputs should produce desired outcomes for the program participants.

Each output should relate to the intended outcome/objective of the program activities and community objectives. A complete statement has these components: Output (quantified) + Outcome (from categories above) + Activity (description) + Objective (from categories above). Combining these elements into a single sentence summarizes the community’s activities, results, intended outcomes and purpose in a way that can be related to resource inputs. Examples are provided below:

- 2,000 homeless persons have new access to shelter for the purpose of creating decent affordable housing.
- 52 households have new access to public sewers for the purpose of creating a suitable living environment.
- 50 persons have access to new jobs through the extension of a water line to businesses for the purpose of creating economic opportunity.

**Each of the below six components must be addressed in Section 6 of your response:**

- 1) **Total Number of Unduplicated Participants:** Provide the total number of unduplicated participants that will be served by the proposed project, regardless of the number of activities in which they participate. Each participant should be counted only once for the year.
- 2) **Activities/Outputs:** This component should address a specific activity or set of activities that affect a specific group to accomplish project outcomes. An activity is what a program does with its inputs (the services it provides) to fulfill its mission. Examples are sheltering homeless families, educating the public about signs of child abuse, and providing adult mentors for youth. Program activities results in outputs.
- 3) **Number of Participants:** Detail the number of participants served by each activity.
- 4) **Number of Units of Service:** Define a unit of service for each service provided and list the number of units of service to be provided. Be as specific and detailed as possible when defining the unit of service. For example, if you propose to track the number of case management sessions, provide the average length of the sessions. If you propose to track the number of shelter nights, provide a clear definition of a "shelter night."
- 5) **Outcome Measures:** Outcome measures are ways to measure program outcomes. Please detail at least one outcome measure that will be used for each program outcome chosen. Describe how the project outcomes align with the HUD Objectives and Outcomes. Express your outcome measure as a percentage of clients who participated in the activity that exhibit the desired change in behavior or desired result.

**Examples:**

85% of students who attend the career preparation workshop will complete a plan for higher education or entering a career.

50% of clients who attend the Let's Stay in School Program will have an absentee rate of fewer than six days for the remainder of the school year.

- 6) **Data Collection Method or Measurement Methodology:** Specify the method and calculation to be used to measure the agency's objective. Data collection methods

include surveys, focus groups, interviews, report cards, and pre- and post-tests. (If a survey, questionnaire, pre- or post-test will be used for outcomes, attach the applicable document to this application).

When describing your measurement methodology, please include the frequency of collection. For example, "We will administer a survey to our participants at the end of each semester." Funded applicants will be expected to provide quarterly reports on their project's activities and unduplicated participants and semi-annual reports on their project's outcomes.

## **Attachment F: Project Budget Definitions and Instructions**

The contract will be on a monthly cost-reimbursable basis. Reimbursements will be based on the actual expenditure of costs listed in the project's budget. Grantees will be expected to produce receipts, cancelled checks, and supporting documents as necessary to verify expenditures.

Personnel Services: The sum of staff salary expense to be paid by CDBG/HOPWA/HOME.

Fringe/Benefits: Included in this line item are payroll-related costs such as FICA, health insurance and retirement benefits, Workers' Compensation, and other payments made on behalf of employee.

**NOTE: Grantees must submit time distribution reports and payroll registers of all staff members whose cost will be fully or partially reimbursed by the grant funds. Time distribution reports must identify the actual number of hours spent on the grant activities. Reimbursement on percentages is not an approved method of determining personnel cost reimbursement.**

Indirect Admin Staff Cost: Costs may only be submitted for projects that have a federally negotiated overhead rate or an approved rate from a Certified Public Accountant (CPA). Your application must include either a letter from the agency's "cognizant federal agency" indicating your federally negotiated overhead rate OR a letter from a CPA verifying that your overhead rate was calculated in accordance with 24 CFR part 200. The letter must also include a list of what costs are included in the overhead rate.

Office Supplies: Costs for consumable commodities, which have a useful life of one (1) year, or less, or which cost less than Five Hundred Dollars (\$500) and which render services essential to the operation of the project.

Communication: Costs for telephone, telegraph, postage, and other communication costs that are essential to the operation of the project.

Printing and Advertising: Costs for printing and duplicating services, newspaper printing by contract; and newspaper advertising which is essential to the operation of the project. Supplies such as paper or fluids for a copy machine owned or leased by the organization for project use may be charged to this category.

Travel: Cost for automobile mileage, transportation, and all necessary and ordinary travel expenses while on official project business within and outside of Santa Clara County. All out-of-state travel related to the CDBG funded project must be approved in writing, by City, prior to any expenditure for such travel. Such travel not previously approved will NOT be reimbursed.

Occupancy: 1) Appropriate portion of rental charges for real property, i.e. office space for the project attributable to this CDBG project or 2) occupancy costs for a building owned by the recipient may be included as a budgeted item if: a) it is necessary for the services provided under this grant and b) costs are allocated among funding sources and c) the amount charged is calculated as specified in 24 CFR 200 Subpart E, Cost Principles.

Utilities: The prorated costs for water, gas, electric, garbage and trash collection, and similar expenses for the project.

Insurance: Prorated cost of insurance and other related services for the project.

Equipment Rental Maintenance: Rental of equipment that is essential for the operation of the project. Equipment is defined as tangible property other than land and buildings, or building improvements, having a useful life of more than one (1) year, the unit cost of which is Five Hundred Dollars (\$500) or more.

Audit Fees: Audit fees are reimbursable under an approved cost allocation plan. Agencies with federal expenditures in excess of \$750,000 are subject to conformance to 24 CFR 200.501

Ineligible Costs: Refer to 24CFR.570, 24CFR.576, and 24CFR.200.

Other Funds Budget: List all funding sources (city and non-city) that the agency will use to fund the project.



## PROJECT BUDGET SUMMARY

Funding Year: 2016-2017

Project Title: \_\_\_\_\_

			Grant Request	Other Funds (Leverage/Match)	Total Project Cost
<b>Program Services</b>					
	Personnel		\$ -		\$ -
	Fringe/Benefits		\$ -		\$ -
	Office supplies		\$ -		\$ -
	Communication		\$ -		\$ -
	Printing & Advertising		\$ -		\$ -
	Travel		\$ -		\$ -
	Occupancy		\$ -		\$ -
	Utilities		\$ -		\$ -
	Insurance		\$ -		\$ -
	Equipment Rental/Maintenance		\$ -		\$ -
	Audit ( <del>CITY Portion</del> <u>Project Share Only</u> )		\$ -		\$ -
	Other (specify)		\$ -		\$ -
<b>Support Services</b>					
	Management & General		\$ -		\$ -
<b>Total</b>			\$ -	\$ -	\$ -